

COMMITTEE CONFERENCE
BEFORE THE
CALIFORNIA ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:)	
)	
Application for Certification)	Docket No.
Colusa Generating Station)	06-AFC-9
PMPD)	
_____)	

CALIFORNIA ENERGY COMMISSION
HEARING ROOM B
1516 NINTH STREET
SACRAMENTO, CALIFORNIA

MONDAY, APRIL 14, 2008

1:04 P.M.

Reported by:
Peter Petty
Contract No. 170-07-001

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMITTEE MEMBERS PRESENT

James D. Boyd, Presiding Member

HEARING OFFICER AND ADVISORS

Raoul Renaud, Hearing Officer

Susan J. Brown, Advisor

STAFF AND CONSULTANTS PRESENT

Jack W. Caswell, Project Manager

Dick Ratliff, Senior Staff Counsel

Maggie Read

Misa Ward

APPLICANT

Scott Galati, Attorney
Galati and Blek, LLP
on behalf of Pacific Gas and Electric Company

Jon Maring
Pacific Gas and Electric Company

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P R O C E E D I N G S

10:06 a.m.

PRESIDING MEMBER BOYD: Welcome, everybody, to this hearing on the PMPD, as it's known, of the Committee with respect to the Colusa Generating Station. I have very little -- nothing much more to say before turning it over to our Hearing Officer Raoul. I'm the last Commissioner standing who was a Commissioner on this. And you got this handed over to you, if I remember, when you arrived on the scene.

But in any event, why don't you take over as our Hearing Officer, please.

HEARING OFFICER RENAUD: Okay. Thank you, Commissioner Boyd. My name is Raoul Renaud. I am the Hearing Adviser assigned by the Committee in this matter. To my right is Commissioner Boyd; and to his right is Susan Brown, his Advisor.

Continuing around the table, to Susan's right is Jack Caswell, the Project Manager. And to his right is Dick Ratliff, who is the Staff Counsel for the Energy Commission in this matter.

To my left is Scott Galati, Counsel for the -- shall I call you the applicant --

MR. MARING: We are now.

1 HEARING OFFICER RENAUD: -- applicant/
2 owner, PG&E. And to his left is --

3 MR. MARING: Jon Maring; I'm the
4 Director of New Construction for PG&E.

5 HEARING OFFICER RENAUD: All right,
6 thank you. This hearing was noticed pursuant to
7 notice sent out on March 13, 2008. And at that
8 time the Presiding Member's Proposed Decision in
9 this matter was also issued.

10 The parties and the public have then had
11 30 days within which to review the Presiding
12 Member's Proposed Decision, which I'll now call
13 the PMPD, and to submit comments on it.

14 We have received comments from Energy
15 Commission Staff and from PG&E. And the result of
16 those comments is the preparation of a document
17 we've called the errata to the PMPD, which sets
18 forth the changes that have been requested by
19 staff and the applicant; and had any other
20 parties, including intervenors, made requests, the
21 requests for changes would be there, as well.

22 Now, none of the requested changes are
23 of such a nature as to change the evidence in the
24 case. Because they don't really amount to a
25 difference in the evidence.

1 The Committee has reviewed these items
2 and determined that, for the most part, they are
3 either minor errors or minor changes or
4 misunderstandings that are being clarified.

5 And I think perhaps our best approach
6 today is simply to proceed through these quickly,
7 following the errata, which there are copies here
8 on the front table if anybody wants to follow on
9 one. It's a five-page document and there are 20
10 items in it.

11 We also have an open phone line today.
12 I don't know if there's anybody on the telephone.
13 If you are, would you please just shout out?
14 Anybody on the phone line for the Colusa PMPD
15 Committee Conference?

16 No? Okay. I assume not. I think we'll
17 hear a beep or something if somebody does join in.

18 The errata is divided up according to
19 the topics of the PMPD. And we'll start with air
20 quality. Item 1 is making a change on page 106
21 and 107 from the term 15 percent O2 to 3 percent
22 O2. And the source of this was a staff memorandum
23 dated April 3, 2008.

24 Mr. Caswell, would you be perhaps able
25 to just give a brief explanation of the reason for

1 that change?

2 MR. CASWELL: I was just talking with
3 air quality staff. Would you repeat that
4 question?

5 HEARING OFFICER RENAUD: Yes. We're
6 just looking at the first item in the errata,
7 number 1, --

8 MR. CASWELL: Yes.

9 HEARING OFFICER RENAUD: -- where
10 there's a requested change by staff to change 15
11 percent O2 to 3 percent O2.

12 MR. CASWELL: I believe that was a --

13 HEARING OFFICER RENAUD: And if you'd
14 like to have someone from your staff speak, that
15 would be fine.

16 MR. CASWELL: It was, it was correct.
17 It was a typographical error.

18 HEARING OFFICER RENAUD: It's a
19 typographical error, that's --

20 MR. CASWELL: Correct.

21 HEARING OFFICER RENAUD: -- that's what
22 we thought. And that's why we went ahead and made
23 the change without any concern.

24 Item 2 is simply changing a reference to
25 appendix A for clarification, since there are more

1 than one appendix A. And this way it's clear
2 which one it's referring to.

3 Item 3 is the same, solving the same
4 problem.

5 Item 4 is correcting a typographical
6 error in the number of a condition.

7 Number 5 is similarly doing that.

8 Now, number 6 is a little more
9 substantive, but I really think it is just
10 resulting in a clarification. This was requested
11 by the applicant. And, Mr. Galati, would you
12 perhaps just give a brief summary of what this is
13 about?

14 MR. GALATI: Yes. This was to clarify
15 how much of the PM10 ERCs would need to be
16 surrendered prior to construction. And how many
17 would need to be surrendered prior to operation.
18 Since all the other ERCs are required to be
19 surrendered prior to operation, PM10 was treated a
20 little differently for construction impacts.

21 So we asked for a clarification that we
22 would only need to surrender the amount of ERCs
23 prior to construction that were sufficient to
24 offset the construction emissions with the
25 remainder being surrendered prior to operation in

1 accordance with the District rules.

2 And we made those comments. We had
3 conversations with the District. We understand
4 staff has, as well. And we received on April 14th
5 a letter to our staff, as well as I think that
6 letter was copied to the Energy Commission, that
7 we used the words sufficient ERCs, and the
8 District would prefer to have that amount
9 quantified.

10 So they've asked for a modification to
11 what you have in the errata, changing the words
12 sufficient to no less than 5.08 tons.

13 HEARING OFFICER RENAUD: Okay, thank you
14 for that explanation.

15 MR. GALATI: There's one other change
16 here that you should pick up on, is this is 5.08
17 tons of PM10 ERCs per quarter. So the words per
18 quarter would need to be inserted into that last
19 sentence, after PM10.

20 HEARING OFFICER RENAUD: So, no less
21 than 5.08 tons construction PM10 per quarter; is
22 that basically what --

23 MR. GALATI: Yeah, the way they have it
24 read is no less than 5.08 tons of PM10 ERCs per
25 quarter.

1 HEARING OFFICER RENAUD: All right, very
2 good. And just let me ask Mr. Caswell, and
3 perhaps he can inquire of his staff, has air
4 quality staff reviewed this change?

5 MR. CASWELL: Yeah, and they're fine
6 with that.

7 HEARING OFFICER RENAUD: And it's
8 acceptable to staff?

9 MR. CASWELL: There's one little minor
10 change --

11 HEARING OFFICER RENAUD: And has the
12 Air -- okay, go ahead.

13 MR. CASWELL: Verification, under that
14 same condition, on the errata.

15 HEARING OFFICER RENAUD: Yeah.

16 MR. CASWELL: At least 30, it should say
17 days.

18 HEARING OFFICER RENAUD: Thirty days,
19 yes. We have a typographical error. Okay.

20 And I understand the Air District has
21 also approved this change to AQ-27, correct?

22 MR. CASWELL: Correct.

23 HEARING OFFICER RENAUD: All right, very
24 good.

25 MR. CASWELL: We've docketed their

1 concurrence.

2 HEARING OFFICER RENAUD: Good. Okay,
3 thank you.

4 MR. GALATI: Mr. Renaud?

5 HEARING OFFICER RENAUD: Yes.

6 MR. GALATI: I would also point out just
7 for clarification, the District does not have
8 verifications like the Energy Commission has. But
9 the same terminology, amounts sufficient to offset
10 the construction PM10 emissions, shows up in the
11 verification. I think you should make a similar
12 change --

13 HEARING OFFICER RENAUD: Comparable
14 change.

15 MR. GALATI: -- from the conditions just
16 so it's clear.

17 HEARING OFFICER RENAUD: To use the 5.08
18 tons reference?

19 MR. GALATI: Correct.

20 HEARING OFFICER RENAUD: All right. If
21 there's no objection to that, that's what we'll
22 do.

23 MR. CASWELL: No.

24 HEARING OFFICER RENAUD: All right,
25 thank you. Good.

1 And, by the way, if I didn't make this
2 clear, as we proceed through this anybody wishing
3 to comment or speak on any of these items, please
4 so indicate by raising your hand.

5 We'll also have a general public comment
6 period at the end of the hearing today.

7 All right. Turning then to the
8 biological resources section, section 7 again is
9 simply clarifying language -- I'm sorry, item 7 is
10 clarification language.

11 Item 8 was providing a little more
12 clarity in the legend of a table.

13 Let's see, item 9, yes, item 9 was again
14 deleting a sentence that's no longer necessary.

15 And now item 10 is, again, a little more
16 substantive, but still at the level of error or
17 clarification. And it's changing the numerical
18 references to mitigation acreage.

19 And I think since this was brought to
20 our attention by staff, I'll ask staff to just
21 briefly summarize what this one's about.

22 Perhaps you, Mr. Ratliff, would that be
23 appropriate?

24 MR. RATLIFF: Yes, well, --

25 HEARING OFFICER RENAUD: I got a memo

1 from you dated February 25th concerning this.

2 MR. RATLIFF: We have with us the
3 biology witness who discovered this error; and
4 perhaps it would be best to have her describe how
5 this came about.

6 HEARING OFFICER RENAUD: All right, very
7 good. And, if you would just state your name, and
8 then go ahead and just explain it for us.

9 MS. WARD: Sure. My name's Misa Ward.
10 I'm the biologist. And what happened with this
11 particular change is the Fish and Wildlife Service
12 contacted the applicant about a misapplication of
13 their programmatic guidance for the giant garter
14 snake.

15 The applicant subsequently commented
16 that there was a miscalculation from their GIS,
17 geographic information systems, analyst about how
18 another acreage was calculated.

19 So there were a series of small changes
20 made with respect to the GIS error made and the
21 programmatic guidance given from Fish and Wildlife
22 Service.

23 So, then we discovered this after the
24 FSA, so we filed a memo to show where those
25 changes were occurring.

1 HEARING OFFICER RENAUD: All right, very
2 good. And, let's see, has the applicant reviewed
3 this change and have any concerns about it?

4 MR. GALATI: No. We agree with it.

5 HEARING OFFICER RENAUD: All right, very
6 good. Anyone else want to ask any questions about
7 this change to bio-16? All right. No.

8 I do have a question. Under bio-16,
9 which is on page 3 of the errata, the second
10 sentence says: For each acre or portion of an
11 acre of GGS habitat permanently impacted, the
12 project owner shall purchase three acres of GGS
13 credit, et cetera.

14 Okay. Then we've crossed out a
15 sentence. And then it says: The project owner
16 shall purchase credits for a minimum of 2.05 acres
17 of GGS aquatic habitat and 1.5 acres of GGS upland
18 habitat."

19 Reading that, what I'm gathering that
20 means is there's a requirement to purchase three
21 acres per acre, three-to-one; but the minimum
22 purchase would be 2.05 plus 1.5?

23 MS. WARD: Right.

24 HEARING OFFICER RENAUD: Okay.

25 MS. WARD: Yeah, initially what I

1 understand happened was that the upland habitat
2 wasn't included within the calculation. So then
3 we looked at the guidance and it's three-to-one
4 replacement for both the aquatic and the upland
5 habitat.

6 HEARING OFFICER RENAUD: All right.

7 MS. WARD: So we just wanted to break
8 that out and reflect that we were calculating for
9 both types of habitat.

10 HEARING OFFICER RENAUD: Very good, all
11 right. And in addition, we've added a sentence
12 with an additional requirement to purchase
13 additional credit if the restoration is within two
14 seasons as opposed to one season?

15 MS. WARD: Right. We also, yeah, we
16 received some additional clarification from the
17 Fish and Wildlife Service on that --

18 HEARING OFFICER RENAUD: Okay.

19 MS. WARD: -- the timing of the
20 restoration.

21 HEARING OFFICER RENAUD: Very good.
22 Thank you.

23 MS. WARD: Thank you.

24 HEARING OFFICER RENAUD: Appreciate your
25 explanation.

1 Okay, let's move on to cultural
2 resources. Item 12 is really just clarifying
3 language adding the word resources.

4 Number 13 also, I think it really is a
5 rewriting of a sentence with respect to the Glenn-
6 Colusa Canal.

7 Does that mean there's someone there on
8 the phone?

9 PRESIDING MEMBER BOYD: No, I think it's
10 somebody's cellphone.

11 HEARING OFFICER RENAUD: Okay.

12 PRESIDING MEMBER BOYD: Blackberry or
13 whatever.

14 HEARING OFFICER RENAUD: Okay. The last
15 sentence of proposed condition 3 -- or, I'm sorry,
16 finding 3 on page 221, currently reads: The other
17 is the Glenn-Colusa Canal which will not be
18 impacted by the project."

19 And the replacement sentence is: The
20 Glenn-Colusa Canal will be impacted by the
21 project, but due to a lack of integrity, including
22 ongoing maintenance, the impact is not
23 significant."

24 The replacement sentence, I think,
25 provides more informative but does come to

1 basically the same conclusion.

2 And finally, item 14 is again a
3 clarifying change, adding the word specialist
4 before monitor.

5 Any comments, questions on cultural
6 resources before we move on?

7 MR. GALATI: None from the applicant.

8 HEARING OFFICER RENAUD: All right.

9 Thank you.

10 Under noise and vibration, again just
11 the addition of the word mitigation, as
12 clarification.

13 Under socioeconomics, we added the
14 words, at competitive pricing, to condition of
15 certification socio-1. This was agreed upon by
16 both staff and applicant as part of the condition.

17 Number 17 is simply a typographical
18 correction.

19 Number 18 is replacing the term 2000 amp
20 breakers with disconnect switches. And since this
21 was requested by the applicant, if I could just
22 request a brief explanation of why we're doing
23 that.

24 MR. GALATI: I think that originally
25 was, we were thinking was 2000 amp breakers, but I

1 think as the project started to unfold it became
2 disconnect switches. I think that's all I can
3 really provide at this stage.

4 HEARING OFFICER RENAUD: Okay, thank
5 you. Anything from staff on that?

6 MR. CASWELL: No.

7 HEARING OFFICER RENAUD: Number 19 is
8 simply a small revision to reflect the nature of
9 the preliminary approval letter from the
10 Independent System Operator.

11 And finally, number 20 is just a
12 typographical correction of TLSN-5 to TLSN-2.

13 And that's the extent of the proposed
14 changes to the PMPD. It's relatively brief and
15 simple.

16 Anyone on the phone still? Just
17 checking again.

18 MS. READ: No.

19 HEARING OFFICER RENAUD: All right.
20 Does anyone have any comments or wish to say
21 anything regarding the Colusa project or the PMPD
22 at this point?

23 We're opening this up for public
24 comment. Please come forward if you wish to
25 speak.

1 Anyone else, any party, anyone? Mr.
2 Galati.

3 MR. GALATI: I would like to just inform
4 the Committee that PG&E has prepared a document,
5 and again on the contentious worker safety issue
6 with the fire impacts. We have prepared a
7 document which is a scope of work that we intend
8 to send out for prospective bidders to bid on the
9 study.

10 We have circulated that to staff and to
11 the Maxwell Fire Department. We have gotten some
12 comments from Maxwell Fire Department. And we'll
13 be working with staff closely.

14 Our intent was to get an agreement on
15 the scope of work so that when the bidder bid we
16 wouldn't have to go back many times and adjust the
17 price of the study.

18 But we are pursuing that just like we
19 said we would. And we look forward to the outcome
20 of that study.

21 HEARING OFFICER RENAUD: All right, very
22 good.

23 PRESIDING MEMBER BOYD: I've inferred
24 from the fact that they didn't rise to say
25 anything today, that everything was working well

1 with them.

2 MR. GALATI: We think it is.

3 HEARING OFFICER RENAUD: Very good.

4 Sounds like you're proceeding in accord with the
5 proposed conditions, and that's one of them, is to
6 work that issue out with the Fire Department.

7 All right, one more time before we
8 adjourn.

9 We will be incorporating the errata into
10 the final version of the decision, which will then
11 be considered by the full Commission at the April
12 23rd business meeting.

13 This hearing is adjourned. Thank you.

14 (Whereupon, at 1:23 p.m., the hearing
15 was adjourned.)

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CERTIFICATE OF REPORTER

I, PETER PETTY, an Electronic Reporter,
do hereby certify that I am a disinterested person
herein; that I recorded the foregoing California
Energy Commission Hearing; that it was thereafter
transcribed into typewriting.

I further certify that I am not of
counsel or attorney for any of the parties to said
hearing, nor in any way interested in outcome of
said hearing.

IN WITNESS WHEREOF, I have hereunto set
my hand this 17th day of April, 2008.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345□